

Article - Local Government

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§19–303.

(a) The issuance of all bonds of a municipality shall be authorized by a resolution adopted or an ordinance enacted by the legislative body of the municipality.

(b) (1) A resolution or an ordinance authorizing municipal bonds shall contain:

(i) a statement of the public purpose for which the bond proceeds are to be spent;

(ii) the form of the bonds, including:

1. the place at which the bonds will be payable;

2. the time at which the bonds will be payable;

3. the interest rate on the bonds or a space to insert the interest rate when determined;

4. the title of each official whose signature must be affixed to or imprinted on the bonds;

5. the authority for issuance of the bonds; and

6. the revenues from which the principal of and interest on the bonds will be payable;

(iii) specific provision for the appropriation and disposal of the bond proceeds;

(iv) specific provision for the payment of the principal of and interest on the bonds, including the source of payment; and

(v) the form of the notice soliciting bids for the purchase of the bonds, including:

1. the date, place, and time for receiving and opening bids;

2. a brief description of the purpose for which the bonds will be issued;

3. a brief description of the denominations, maturities, terms, and conditions of the bonds;

4. a statement of the interest rate of the bonds or the manner of determining the rate;

5. a precise statement of the manner in which the best offer for the bonds will be determined; and

6. a reference to the resolution or ordinance authorizing the bonds.

(2) The provision made for payment of the bonds under paragraph (1)(iv) of this subsection is a covenant binding the municipality to provide money from the source described to pay the principal of and interest on the bonds when due.

(c) (1) A resolution or an ordinance authorizing any municipal bonds may contain any other provision not inconsistent with this subtitle that the legislative body of the municipality considers appropriate, including a provision that:

(i) the principal of and interest on the bonds shall be payable at one or more banks or trust companies in or outside the State;

(ii) except for the signature of the clerk or secretary which must be manually affixed, the signatures of officials of the municipality and official seals to be affixed to the bonds or any coupons attached to the bonds shall be imprinted on the bonds or coupons in facsimile;

(iii) at the option of the municipality, some or all of the bonds shall be made redeemable before maturity, at or above par value as required in the enabling resolution or ordinance if:

1. the bonds contain a statement of the redemption provisions; and

2. the enabling resolution or ordinance provides for published notice before a redemption;

(iv) the issue of bonds shall be in varying denominations and in coupon form registrable as to principal only, in fully registered form, or both forms if they are interchangeable; and

(v) a bond is a valid and binding obligation of the municipality in accordance with the terms of the bond even if an official whose signature appears on the bond:

1. ceases to be an official before the delivery of the bond; or

2. becomes an official after the date of issue of the bond.

(2) Each resolution or ordinance may authorize the executive of the municipality to modify the forms adopted by the resolution or ordinance if the modifications do not alter the substance of the forms.

(d) (1) The notice soliciting bids for the purchase of the bonds may:

(i) require prospective purchasers to submit bids on specified forms;

(ii) require prospective purchasers to accompany their bids with good faith deposits in specified amounts;

(iii) provide for approval of the legality of the bonds; and

(iv) contain a financial statement of the municipality.

(2) The provisions in paragraph (1) of this subsection may be included in the notice of sale or separately set forth in a circular or an official statement, the form of which must be adopted by a resolution or an ordinance of the municipality.

(e) Unless the resolution, ordinance, or municipal charter requires a referendum, neither a resolution or an ordinance authorizing any bonds of a municipality nor the question of the issuance of the bonds need be submitted to referendum of the voters of the municipality.

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